



WFG Underwriting Bulletin



To: All California Operations and Policy Issuing Agents of WFG National Title Insurance Company

From: WFG Underwriting Department

Date: February 20, 2019

Bulletin No: CA 2019-01

Subject: California SB – 50 Conveyances of Federal Public Lands

California SB 50 went into effect January 1, 2018. The statute that purported to prohibit the recording of any conveyance of federally owned public lands, without giving the State of California a right of first refusal or the ability to arrange transfer to an entity of its choice, has been ruled unconstitutional in the U.S. District Court.

The law prohibited anyone from recording a conveyance of federal lands unless said conveyance was by an instrument titled “Federal Public Land Deed of Conveyance” (CA Government Code 27338); which had to be accompanied by a “certificate of compliance” from the State Lands Commission CA (Government Code §6223(a)). The penalty for non-compliance was a \$5,000 per instrument civil penalty.

The California State Lands Commissions (“SLC”) has been working on the requirements and the processes involved in providing the requisite certificate of compliance. The SLC has not made a Request for Certificate of Compliance form or the specific requirements to be in such a form available. Based on a copy of the certificate of compliance, a public hearing would be required before the certificate could be issued.

As you will note from the above description, all of the references to the laws occasioned by SB 50 are in the past tense. The reason for this is that on November 1, 2018, the United States District Court for the Eastern District of California, in Case No. 2:18 – cv – 721 – WBS – DB, UNITED STATES OF AMERICA, Plaintiff v. STATE OF CALIFORNIA; and CALIFORNIA STATE LANDS COMMISSION, an agency of the State of California, declared “that SB 50 is unconstitutional because it violates the doctrine of intergovernmental immunity, and PERMANENTLY ENJOINS defendants from enforcing SB-50.”

As of that date, the State of California State Land Commission’s website confirms that enforcement of SB50 has been enjoined by the District Court order.

Based on the decision of the Court, WFG will not make any requirements previously required by SB 50. Any conveyances of public lands by the United States of America are no longer subject to the mandates of SB 50. This Underwriting Bulletin supersedes any previous bulletins or instructions regarding the handling of conveyances from the United States government of publicly held lands, specifically in regards to the requirements of SB 50.

NOTE: The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.

The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.